

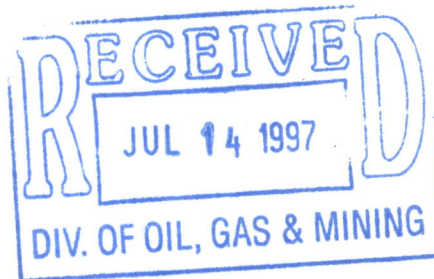


P.O. Box 4017  
Grand Junction, Colorado 81502

5/019/030

July 14, 1997

Mr. David Terry  
Director Utah School and Institutional  
TRUST LANDS Administration  
675 East 500 South, Suite 500  
Salt Lake City, Utah 84102-2818



Dear David:

I wish to thank you and your group for taking the time from your busy schedule to visit the mining properties located in Grand County, Utah, T20S, R25E, which is located within the Westwater Mining District.

The first property that we visit will be School Trust Land, section 13, this area encompasses approx. 252 acres. You will find all the current information about this area located in the first section of this book.

5/019/041

The second property visited will be the Pussycat Claims, this 960 acre area is located 1/2 mile west and 1/2 mile south of the southwest corner of School Section 13. Information about these claims will be located in the last section of this book.

5/019/030

I hope this information will assist in some way, a better understanding of this area, however should you have any other questions or require further information, please feel free to call or write me at the following address.

Sincerely,

Ron Pene  
Box 4017  
Grand Junction, Colorado 81502  
970-243-4473

**PENE MINING**

**RON PENE**  
OWNER  
PROJECT-MANAGER

**BOX 4017**  
**GRAND JUNCTION CO. 81502**  
**970-243-4473 PH/FX**  
Localminer@AOL.com



DOGM RECEIVED  
7/14/97

5/019/041

**TEST RESULTS**  
**SCHOOL, INSTITUTIONAL TRUST LAND**  
**SECTION 13, T20S-R25E SLM**  
**GRAND COUNTY, UTAH**

Please review the enclosed maps of School Section #13. All of the test results are marked and the production results are as follows.

**SITE #1** This ore was taken from a creek bottom, surface to bedrock, about 4 and 1/2 feet of loose gravels. This test showed very little black sands, some Gold and some Silver. The Gold value per ton was \$3.26, Silver value was \$1.68 per ton. Ore reserves at this site were about 2,350 tons.

**SITE #2** This site was in the gravel bank 175 feet northeast of site #1. Gold value per ton was \$4.96, Silver value was \$2.54 per ton. The ore reserves at this site was the largest on this School Section, at 27,000 tons.

**SITE #3** This site located 205 feet southeast of site #1 showed very little Gold or Silver, only \$1.39 Gold per ton and \$0.66 Silver per ton.

**SITE #4** This site consisted of two separate tests, the first was from the surface to eight feet, the second was from eight to thirteen feet. Ending at bedrock. Test #1 showed very little Gold or Silver. Test #2, from 8 to 13 feet, showed Gold that ran \$5.75 per ton, and Silver at \$3.45 per ton. Ore reserves for test #2 would be 22,000 tons.

**SITE #5** This site, as in #4 consisted of two test runs. Test #1 was from surface to 6 feet. Test #2 was from 6' to 12', or stopping at bedrock. Test #1 showed Gold at \$1.15 per ton, Silver at \$0.55 per ton. Test #2 showed Gold At \$5.50 per ton, Silver at \$2.90 per ton. Ore reserves for test #1 and #2 combined showed about 12,000 tons.

**SITE #6** This site was located at the far east end of the School Section. This test was to evaluate a deposition pattern for the gravels and all precious metals in this area. This site showed the least amount of Gold and Silver on the whole property. Less than \$0.90 per ton of Gold, and no showing of Silver.

**SUMMARY**

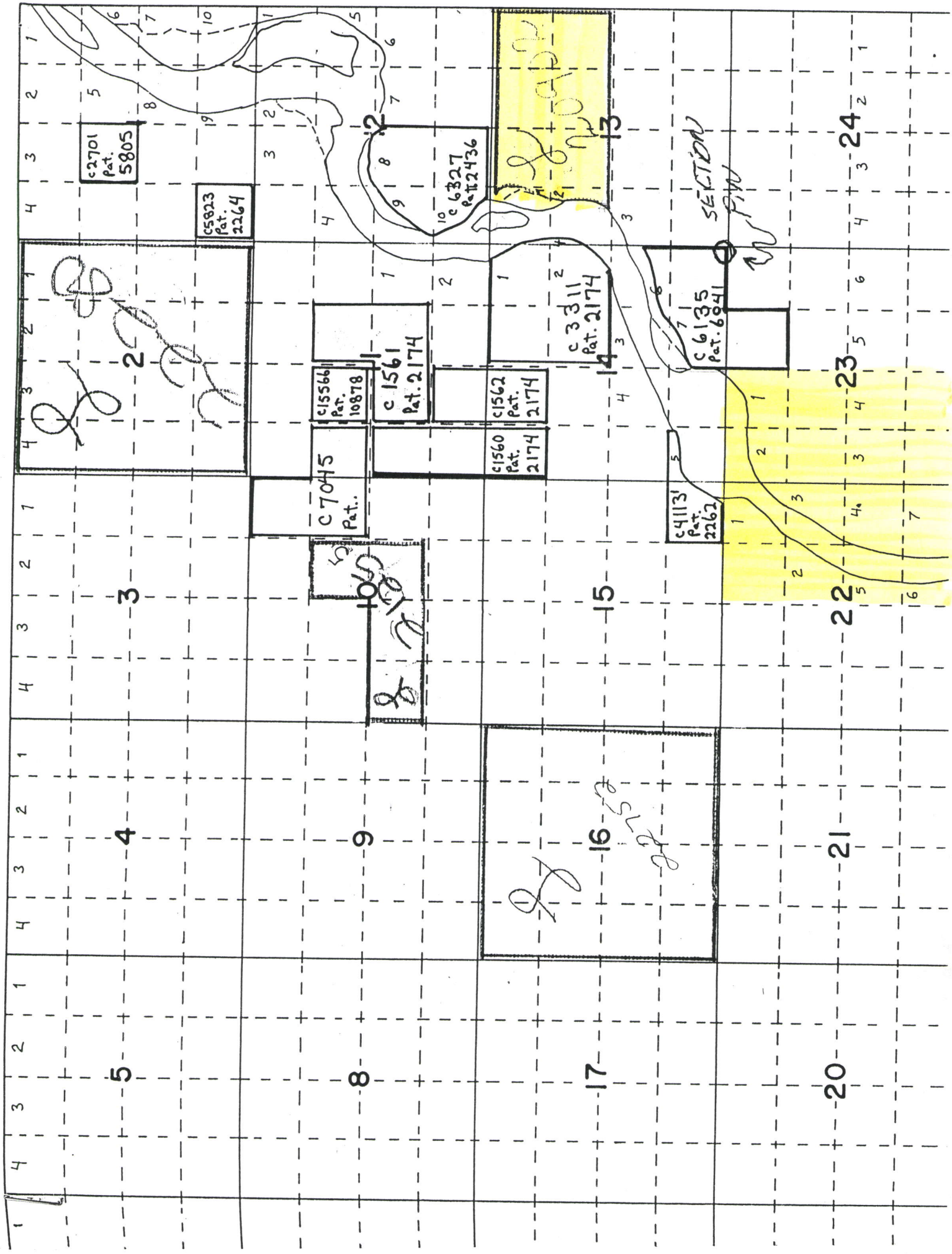
A total of 63, 350 tons in reserve at the average Gold per

ton was \$4.82, Silver was at \$1.68 per ton. The operating cost, labor, materials, and reclamation, was from \$3.60 to \$4.12 per ton. It was also found that a total daily production would have to be at least 150 tons.

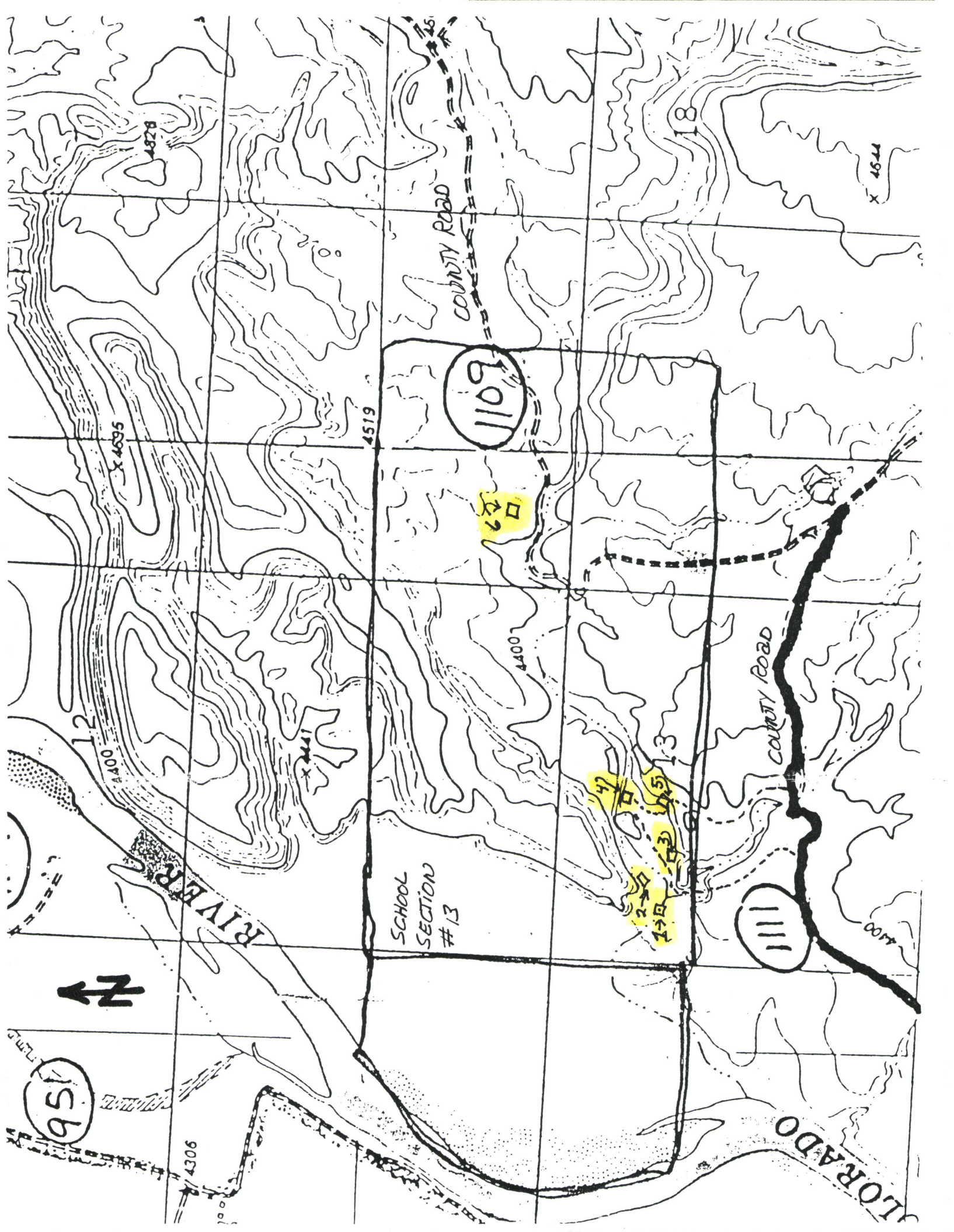
Ore reserves at site #2 and #5 could be expanded to over 300,000 tons. I had to stop all testing and production plans due to not having any water. The water in the creek dried up. I am unable to use water from the Colorado River, no water permit. The Division of Water Rights has informed me that it will be difficult to obtain water at this location due to the change of course of the River. The river has moved west clear out of Section 13, and now runs through section 14.

We are trying various ways to secure water from the River, but as of yet, we have not been able to complete this task.











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Grand Junction, Colorado 81502

July 14, 1997

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**PUSSYCAT CLAIMS**  
**T20S-R25E SLM, GRAND COUNTY, UTAH**

The following section will contain information from the Pussycat Claim Group. You will find some location maps, existing roads, work sites, buildings, shaft and some old mine tunnels. The roads were constructed by heavy equipment in the 30's or 40's. The BLM in Moab, Utah has a 1966 aerial photograph of this area showing all of the existing sites and Grand County Road #950.

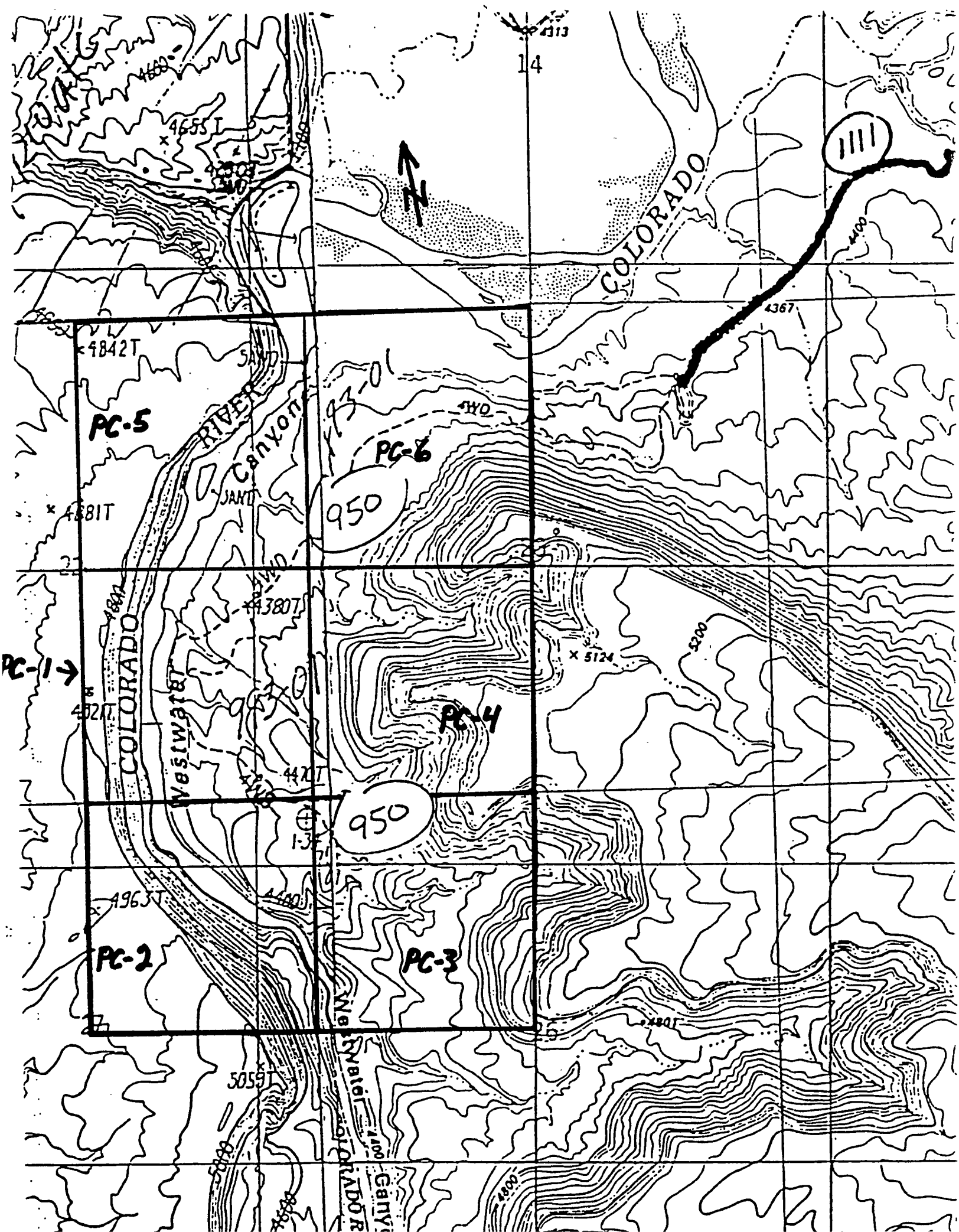
A listing of the assay sheets are as follows.

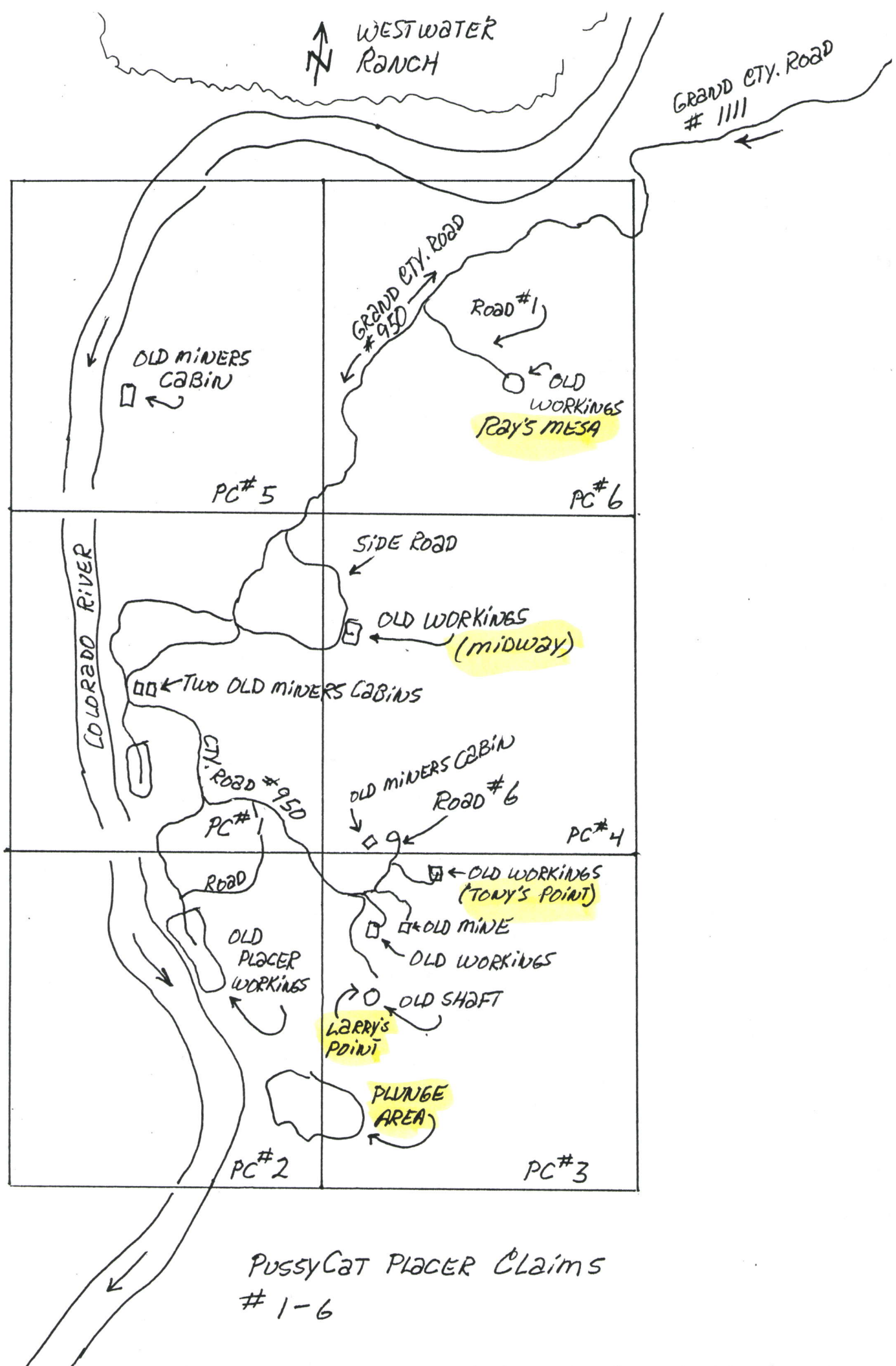
Grand Junction Lab.	4/15/94	E-020 Pussycat #3 (Tony's Point) E-021 Pussycat #3 ( Mine ore)
Grand Junction Lab	12/15/94	E443-E448 Pussycat Placer #2
Western Analytical, Inc.	4/15/91	#1-#3 Pussycat Placer #1
Chris Christopherson, Inc.	12/22/94	
#128		Pussycat #3 (At Larry's Point)
#131		Pussycat #3 (The Plunge Area)
#132		Pussycat #4 (Midway Area)
#133		Pussycat #6 (Rays Mesa Area)

All of the above samples that were taken are of head ore and not a concentrate.

The last page contains samples of the free milling metals that you looked at while you were at the mine site.







PussyCat Placer Claims  
# 1-6



JOHN C. KEPHART & CO.  
GRAND JUNCTION LABORATORIES

435 NORTH AVENUE

PHONE 242-7618

GRAND JUNCTION, COLORADO 81501

ANALYTICAL REPORT

Received from: Ron Pene  
Box 4017

Grand Jct., CO 81502

Customer No. \_\_\_\_\_ Laboratory No. E-020 Sample mineral

Date Received 4/11/94 Date Reported 4/15/94

Sample	E-020 #1 40.0 G.	E-021 #2 40.0 G.
Gold(Au)	0.546 oz/ton	3.01 oz/ton
Silver(Ag)	208 oz/ton	1270 oz/ton
Platinum(Pt)	<0.025 oz/ton	0.063 oz/ton

*Find Cash  
#92 50*

PAGE 13

Director: B. Bauer

Assayer: M. Kyte

JOHN C. KEPHART & CO.

## ASSAY REPORT

GRAND JUNCTION LABORATORIES

435 North Ave. - Phone 242-7618 - Grand Junction, Colo. 81501

Date 12/15/94

CUSTOMER Ron Pene. Pene Mining

ADDRESS Grand Jct., CO

Lab No.	Sample Identification	Gold Oz/Ton	Silver Oz/Ton	Copper % Cu	Lead % Pb	Zinc % Zn	Uranium % U <sub>3</sub> O <sub>8</sub>	Vanadium % V <sub>2</sub> O <sub>5</sub>	
E443	#122	0.084	90.7						
E444	#123	0.076	422						
E445	#124	0.380	732						
E446	#125	0.880	178						
E447	#126	1.49	699						
E448	#127	1.25	3570						
NOTE: Values given are ounces per ton in sample as received.									

CHARGES \$ \_\_\_\_\_

M. Kephart ASSAYER

WESTERN ANALYTICAL, INC.  
2417 SOUTH CONSTITUTION BLVD.  
SALT LAKE CITY, UTAH 84119-1225  
PH. (801) 973-9238 FAX (801) 973-7635

CERTIFICATE OF ANALYSIS

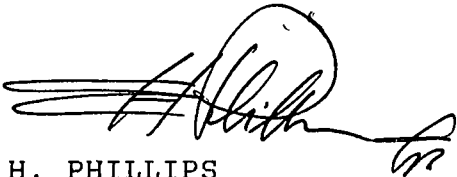
April 15, 1991  
P91-163  
YOUR PURCHASE ORDER: VERBAL

MR. RAY PENE  
P.O. BOX 16  
THOMPSON, UTAH 84540

Dear Mr. Pene:

Transmitted herewith are the analytical data for the three (3) samples delivered to our laboratory for Au analysis.

SAMPLE IDENTIFICATION	Au (oz/ton)
#1	0.525
#2	0.037
#3	1.925

  
E. H. PHILLIPS  
Laboratory Director

Charges: \$30.00 Prepaid

EHP/tp



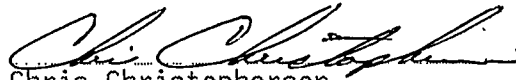
CHRIS CHRISTOPHERSON, 1  
P.O. Box 302  
Kellogg, Idaho 83837  
(208) 784-1233

PENE MINING  
PO BOX 4017  
GRAND JUNCTION, CO 81502  
ATTN: RON

DECEMBER 22, 1994 U4MS0202.353  
TEST FOR: Au Ag  
METHOD: FIRE FIRE  
USED: ASSAY ASSAY  
RESULTS IN: oz/ton oz/ton

#128	1.510	79.0
#131	2.578	52.0
#132	.730	52.9
#133	.496	71.2

CHARGES \$100.00

  
Chris Christopherson  
Umpire Assayer/Chemist



P.O. Box 4017  
Grand Junction, Colorado 81502

July 14, 1997

TONY'S POINT

LARRY'S POINT

MIDWAY

RAY'S MESA

Once again I thank you for taking the time to visit both of these mine sites.

Sincerely,

Ron Pene  
Box 4017  
Grand Junction, Co. 81502  
970-243-4473  
Localminer@AOL.com